

memo

Florida Action Team on Energy and Climate Change

To: Governor's Action Team on Energy and Climate Change
From: Government Policy Technical Work Group
CC: Energy Supply and Demand Technical Work Group
Date: 05/19/2008
Re: Distributed Generation

Comments: The Government Policy Technical Work Group (TWG) has engaged in a discussion about distributed generation (DG) and the role it might play in meeting Florida's energy needs. The Energy Supply and Demand TWG is recommending two priority policies that would address this issue: 2.3—Distributed renewable energy incentives and/or barrier removal, and 6.3—General distributed generation support for renewable energy (interconnection rules, net metering, etc.).

According to The California Distributed Energy Resources Guide, distributed generation—also referred to as distributed energy resources—includes small-scale power generation technologies (typically in the range of 3 to 10,000 kilowatts [kW]) located close to where electricity is used (e.g., a home or business).

While it is generally accepted that centralized electric power plants will remain a major source of electric power supply for the near future, distributed generation can complement centralized power. Distributed generation can be both an alternative to and an enhancement of the traditional electric power system.

Distributed generation can avoid or reduce the cost of transmission and distribution system upgrades. Distributed generation reduces the amount of energy lost in transmitting electricity, because the electricity is generated very near where it is used, perhaps even in the same building. This also reduces the size and number of power lines that must be constructed.

Distributed generation can lower consumer costs with increased energy efficiency. Most importantly, the use of renewable distributed energy generation and “green power” (such as wind, solar thermal, photovoltaic, and geothermal) provides greenhouse gas reductions.

The Government Policy TWG endorses the Energy Supply and Demand TWG's recommendation that these policies be selected as priorities and respectfully requests the Governor's Energy and Climate Action Team to support the further development of these policies for the State of Florida.